

Message Text

LIMITED OFFICIAL USE

PAGE 01 ADDIS 07261 191210Z

53

ACTION EB-07

INFO OCT-01 AF-06 EUR-12 ISO-00 ERDA-05 AID-05 CEA-01

CIAE-00 CIEP-01 COME-00 DODE-00 FEAE-00 FPC-01 H-02

INR-07 INT-05 L-03 NSAE-00 NSC-05 OMB-01 PM-03

USIA-06 SAM-01 OES-03 SP-02 SS-15 STR-04 TRSE-00

FRB-03 /099 W

----- 097635

R 190759Z JUN 75

FM AMEMBASSY ADDIS ABABA

TO SECSTATE WASHDC 4960

INFO AMCONSUL ASMARA

AMEMBASSY KHARTOUM

AMEMBASSY NAIROBI

AMEMBASSY MOGADISCIO

AMEMBASSY PARIS

LIMITED OFFICIAL USE ADDIS ABABA 7261

E.O. 11652: N/A

TAGS: EGEN ENRG

SUBJECT: EPMG ISSUES STATEMENT ON FUEL SITUATION

1. THE MINISTRY OF COMMERCE, INDUSTRY AND TOURISM ISSUED A SOBFT RLM MAMMENT ON THE CURRENT SHORTAGE OF FUEL (GASOLINE AND DIESEL) JUNE 17 WHICH WAS REPORTED IN THE ETHIOPIAN HERALD JUNE 18. STATEMENT ATTRIBUTES SHORTAGE OF FUEL IN ADDIS TO "TRANSPORTATION PROBLEMS" AND "DEFECTIVE DISTRIBUTION CAUSED BY MALPRACTICES OF REACTION-ARIES WITH SINISTER MOTIVES". IN LIGHT OF THESE "MALPRACTICES," CERTAIN SERVICE STATIONS HAVE BEEN DESIGNATED THROUGHOUT THE CITY TO PROVIDE GAS AND DIESEL FUEL TO BUSES, PRIVATE VEHICLES AND TAXIS "UNDER TEMPORARY CONTROL OF THE GOVERNMENT". STATEMENT ALSO ASSERTED THAT THERE WOULD BE NO INCREASE IN FUEL PRICES.

2. INDUSTRY SOURCES INFORMED THE EMBASSY THAT A MEETING OF THE EPMG

LIMITED OFFICIAL USE

PAGE 02 ADDIS 07261 191210Z

(INCLUDING DIRG MEMBERS) AND THE OIL DISTRIBUTION COMPANIES WAS

HELD THE MORNING OF JUNE 17. AS A RESULT OF THIS MEETING THE GOVERNMENT IS TAKING THE FOLLOWING STEPS:

- A. A COMMITTEE TO DETERMINE ALLOCATIONS OF PETROLEUM PRODUCTS WILL BE ESTABLISHED ASAP. RELEASE FROM OIL COMPANY STORAGE FACILITIES WILL BE MADE ONLY BY AUTHORIZATION OF THE COMMITTEE WHICH WILL HAVE REPRESENTATIVES AT EACH LOCATION.
- B. EIGHT SERVICE STATIONS HAVE BEEN DESIGNATED FOR BUS USE; EIGHT FOR TAXIS, INTERNATIONAL ORGANIZATION VEHICLES AND DIPLOMATIC VEHICLES; AND EIGHT STATIONS FOR VEHICLES BELONGING TO THE GENERAL PUBLIC. TAXIS WILL BE LIMITED TO 20 LITERS PER STATION PER DAY AND PRIVATE VEHICLES 10 LITERS PER STATION PER DAY; NO LIMIT WILL BE PLACED ON INTERNATIONAL ORGANIZATION AND DIPLOMATIC CARS.
- C. A SURVEY OF STORAGE CAPACITY AND CURRENT SUPPLY STATUS OF EACH CUSTOMER OF THE PETROLEUM DISTRIBUTION COMPANIES IS TO BE CONDUCTED AND SUBMITTED TO THE COMMITTEE BY THE COMPANIES.

3. A CONVOY FROM ASSAB IS EXPECTED JUNE 18 OR 19 AND ANOTHER IS EXPECTED JUNE 21 OR 22. THE FORMER CONVOY IS RATHER SMALL AND WILL NOT PROVIDE MUCH RELIEF; THE LATTER, HOWEVER, IS REPORTEDLY QUITE LARGE AND SHOULD EASE THE SHORTAGE TEMPORARILY.

4. COMMENT.

- A. THE STATEMENT BY THE MINISTRY OF COMMERCE, INDUSTRY AND TOURISM WAS NOTABLE FOR PLACING THE RESPONSIBILITY FOR THE CURRENT SITUATION PRIMARILY ON "REACTIONARIES" AND "ENEMIES OF THE PRESENT POPULAR MOVEMENT", AN ARGUMENT THAT PROBABLY WILL NOT CUT MUCH ICE WITH THE GENERAL PUBLIC, MOREOVER, THE STATEMENT SPECIFIED STATIONS WHERE GASOLINE WAS SUPPOSED TO BE AVAILABLE EVEN THOUGH ACCORDING TO INDUSTRY SOURCES VERY LITTLE GAS CAN BE PROVIDED UNTIL A CONVOY ARRIVES WHICH, AS NOTED ABOVE, MAY NOT BE UNTIL JUNE 19. LONG LINES FORMED AT THE DESIGNATED STATIONS DURING JUNE 18 BUT ONLY A FEW STATIONS WERE ACTUALLY PUMPING GAS.
- B. INDUSTRY SOURCES BELIEVE THE GOVERNMENT IS MAKING AN ERROR IN NOT AUTHORIZING AN INCREASE IN PAYMENTS TO TANK TRUCK OWNERS AND OPERATORS TO HELP THEM DEFRAID THE ADDITIONAL COSTS ASSOCIATED WITH THE LONGER TRANSIT TIME AND INCREASED INSURANCE COSTS. THERE ARE REPORTEDLY 280-300 TANK TRUCKS PLYING BETWEEN ASSAB AND ADDIS UNDER ORDINARY CIRCUMSTANCES. OWING TO RECENT LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 ADDIS 07261 191210Z

DEVELOPMENTS, 25-30 PERCENT OF THESE TANK TRUCKS ARE NOT OPERATING AND PROBABLY WILL NOT GO BACK IN OPERATION UNTIL THEIR OWNERS ARE ASSURED OF SUFFICIENT REMUNERATION TO COVER THEIR COSTS.

C. DURING NORMAL TIMES, THE TANKER FLEET HAS JUST ENOUGH CAPACITY TO MEET THE REQUIREMENTS FOR MOVING PETROLEUM PRODUCTS FROM ASSAB TO ADDIS AND THE INTERIOR. OIL COMPANIES AND INDEPENDENT TRUCKERS DID NOT INVEST IN ADDITIONAL TANK TRUCKS

AS IT OBVIOUSLY WAS NOT ECONOMICAL TO DO SO. MOREOVER, OIL COMPANIES IN ADDIS BUILT ONLY LIMITED STORAGE CAPACITY (EQUIVALENT TO APPROXIMATELY 8-10 DAYS SUPPLY) AS THEY WANTED TO HOLD OVERHEAD COSTS TO A MINIMUM. THEREFORE WHEN THE TRANSIT TIME REQUIRED TO MOVE PETROLEUM PRODUCTS FROM ASSAB TO ADDIS SHARPLY INCREASED, THEREBY EFFECTIVELY REDUCING TRANSPORTATION CAPACITY BY ROUGHLY 50 PERCENT, THERE WAS NO SLACK IN THE SYSTEM TO MEET THE SHORTFALL. GIVEN THIS SITUATION AND SINCE THE RAILROAD HAS LITTLE OR NO ADDITIONAL CAPACITY, THE ONLY SOLUTION TO THE CURRENT SHORTAGE IS TO RESTORE SECURITY ALONG THE ADDIS-ASSAB ROAD OR TO INCREASE THE EFFICIENCY OF CONVOY ORGANIZATION AND OPERATION.

WYMAN

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: PETROLEUM, ECONOMIC CONDITIONS, CONSERVATION, POLICIES, LAW
Control Number: n/a
Copy: SINGLE
Draft Date: 19 JUN 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: GolinoFR
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975ADDIS07261
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D750213-1091
From: ADDIS ABABA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t19750632/aaaabdbl.tel
Line Count: 128
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EB
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: GolinoFR
Review Comment: n/a
Review Content Flags:
Review Date: 27 MAY 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <27 MAY 2003 by ifshinsr>; APPROVED <28 MAY 2003 by GolinoFR>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
06 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: EPMG ISSUES STATEMENT ON FUEL SITUATION
TAGS: EGEN, ENRG, ET
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JUL 2006